

## OVERVIEW OF CHANGES FOR THE 2016 9% QUALIFIED ALLOCATION PLAN

**Changes in red indicate changes made from the Approved Draft 2016 QAP to the Proposed Final 2016 QAP.**

### Introduction

- Updates the schedule with the applications due on December 7, 2015 and awards presented at the March 2016 Board Meeting.

### Part A: Requirements for 9% Tax Credits

- 2.1 Updates the Per Capita Tax Credit amount.
- 2.2 Clarifies that \$800,000 of all available tax credits shall be allocated to the Homeless Demonstration prior to the funding of the other set-asides and General Pool.
- 2.2.2 Adds the Housing for the Homeless Demonstration. Adds the Noncompetitive Set-Aside Reservation Schedule and clarifies Homeless Demonstration set-aside language.
- 3.2.2 Adds the requirement for either a first time Tax Credit recipient or Developer shall complete at least one LIHTC Project in which all LIHTC Units have been leased at least once and has received an IRS Form 8609, in Iowa or any other state, before being allowed to submit a subsequent Application.
- 3.4.3 Adds language that State HOME funds shall not be available with LIHTC due to the uncertainty of federal funding.
- 3.4.4 Only Entities seeking nonprofit status for the Nonprofit set-aside are required to send in the appropriate documentation.
- 3.4.7 Decreases the Market Study fee. Realigns the Application Fees. Increases the late application submission fees and the IRS Form 8609 Application fee.
- 3.4.8 Adds language in the event there are not enough qualified Projects to fill a specific set-aside.
- 4 Requires a GP loan to be used for projects that are waiting for a State Historic Tax Credit commitment.
- 4.1.3 Adds that existing debt shall be disclosed in the initial Application.
- 4.1.6 Adds that cash received by the buyer from the Project it is not allowed in the eligible basis.
- 4.1.7 Adds that IFA has the right to limit rent increases to a maximum of four percent (4%) per Unit, between the initial Application and the IRS Form 8609 Application.
- 4.2 Increases the minimum operating expenses per Unit.
- 4.5.1 Increases the letter of intent term length from six months to nine months beyond the date the Application is due to IFA.
- 4.5.2 Adds that a funding commitment shall be made in advance for existing debt to be assumed.
- 4.6.4 Adds that Developer and Consultant Fee shall only be split if awarded under the Nonprofit set-aside.
- 4.9 Removed land cost from the Unit Cost Cap and updated the Unit Cost Cap to one cap per bedroom Unit.
- 4.9.1 Increases Tax Credit Cap per LIHTC Unit by four percent (4%).
- 5.3 Removes language that alternate sites shall be presented as separate Projects with separate Applications.
- 5.4.1.2 Removes State HOME Funded Projects appraisal language.
- 5.4.3 Moved CNA language to Appendix 1-J and added preliminary costs and scope of work for all projects.
- 5.4.6.3.1 Clarifies the delinquent loan language.
- 5.16 Clarifies Targeting Plan language.
- 5.18 Adds that all buildings that contain residential rental Units shall have at least one Low-Income Unit.
- 5.19 Adds that market rate single family homes shall not be allowed in any Project and market rate units shall be dispersed throughout the Project.

## OVERVIEW OF CHANGES FOR THE 2016 9% QUALIFIED ALLOCATION PLAN

**Changes in red indicate changes made from the Approved Draft 2016 QAP to the Proposed Final 2016 QAP.**

### **Section 6 - Scoring:**

- 6.1.2 Adds language to exclude market rate single family homes in any Project.
- 6.1.3 Decreases points for Serves Tenant Population of Individuals with Children from 7 points to 4 points.
- 6.2.1 Adds Location Near Services tiered scoring system, decreased total points from 28 to 24 and removed cultural arts facility from the menu. Clarifies Google Map(s) language and removes statement that IFA will generate the Google Map(s) for each service.
- 6.2.3 Removes workforce housing tax credits option from the Local Government Contribution table and adds terms to the below interest loan option. Adds that IFA reserves the right to limit the amount of fees waived by any Government Entity or Political Subdivision to one percent (1 %) of the Total Project Costs.
- 6.2.5 Adds points for Projects located in an Iowa Opportunity Index Census Tract.
- 6.3.1 Decreases Market Appeal points from 41 to 36. Removed Medical Alert System and computer learning center from menu and clarified language. Removes limitation of Projects with historic tax credits from points for In-Unit Laundry Space.
- 6.3.4 Realigns Construction Characteristics point structure and clarifies language. Removes limitation of Projects with historic tax credits from points for steel frame doors.
- 6.3.5 Realigns Olmsted Goals point structure and makes the mental health and first aid training a threshold item.
- 6.3.6 Removes restriction of “non-smoking” policy points on Projects that have HUD financing or HUD subsidy.
- 6.4.1 Changes heading from Title Guaranty to Iowa Title Guaranty due to official name change.
- 6.4.2 Changed the Developer Cash Contribution calculation to every one half percent from one percent of total project costs.
- 6.4.3 Adds a tiered scoring system to the Qualified Development Team Experience points. Decreases the amount of IRS Form 8609s needed to receive points from 3 to 2.
- 7.5 Clarifies Second and Third Application, and Credit Allocation language
- 8.3 Adds that if there are material changes and IFA is not notified an IRS Form 8823 or a State issues Notice of Noncompliance could be issued.
- 8.7 Adds the mental health and first aid training as a threshold requirement.
- 8.9 Adds that any Lease Addendums shall be submitted 120 days prior to Placed-in-Service and clarifies language.

### **Appendix 1-Threshold Requirements for Building, Construction, Site and Rehabilitation**

- Intro Adds that Accessible Units shall be dispersed throughout the property rather than segregated.
- A Adds that site control shall be continuous and uninterrupted through the issuance of an IRS Form 8609.
- B Adds sites shall not be native prairie land or wetlands. Removed endangered habitats from language.
- G-7 Adds Durable window sills as a minimum development characteristic.
- G-22 Adds ASHRAE requirements for new construction developments with four or more stories. Clarifies language.
- G-25 Adds Unit Bathroom requirements for new construction and adaptive reuse Projects.
- J Clarifies CNA language.

### **Appendix 2-Glossary of Terms**

- Amends and adds glossary terms.